

Message Text

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TAGS: BBSR, UK, YO
SUBJECT: GLOBAL MARKET SURVEY: PRODUCTION MACHINERY, TES
INSTRUMENTATION & SPECIAL MATERIALS FOR ELECTRONIC COM-
PONENTS; & ELECTRONIC COMPONENTS - YUGOSLAVIA

REF: USDOC 5031 (NOTAL)

1. TML'S RESPONSES TO QUERIES RAISED ARE AS FOLLOWS
AND RELATE TO PARA NUMBERS IN REFTEL:

PARA 1 - TML NOTES COMMENTS.

PARA 2 - OAL IS EQUIVALENT OF SERBO-CROAT OUR, THAT IS,
ORGANIZACIJA UDROZENOG RADA, MEANING ORGANIZATIONS OF
ORGANIZED LABOR: THESE ARE THE LOCAL EQUIVALENT OF THE
WESTERN 'COMPANY'. BOAL'S AND OAL'S ARE FULLY DEFINED
ON PAGE 92 OF THE REPORT AND ARE TO AN EXTENT INTER-
CHANGEABLE TERMS. TML HAVE SENT A PHOTOSTAT, TAKEN FROM
LATEST AVAILABLE VERSION OF EKONOMSKA POLITIKA, WHICH
PUTS POSITION CLEARLY AND MAY ASSIST USDOC IN UNDER-
STANDING PECULIARITIES OF THIS UNIQUE SYSTEM WHICH,
SOMEWHAT SURPRISINGLY TO A WESTERN OBSERVER STATES TML,
APPEARS TO WORK WELL ENOUGH.

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PARA 3 - PRODUCTION TOOLS AND MACHINERY HAVE NOW BEEN
SEPARATELY TABULATED BY MEANS OF A) A NEW PAGE 10A; B)
AN AMENDED PAGE 15; AND C) AN AMENDED PAGE 26. COPIES
OF THESE PAGES BEING AIRMAILED USDOC AND BELGRADE APRIL
10.

PARA 4 - A) MAJOR FACTOR IN DECLINE OF US IMPORTS OF

PRODUCTION MACHINERY AND TOOLS FROM 1973 TO 1975 APPEARS TO BE THE STRENGTHENING OF THE WEST GERMAN SALES EFFORTS CONSEQUENT UPON MASSIVE SALES DRIVES FOLLOWING WEST GERMAN PARTICIPATION IN THE YUGOSLAV NATIONAL EXHIBITIONS. IN THIS CONNECTION, TML STATES THAT IT HAS TO BE REMEMBERED THAT MUCH OF THE MANUFACTURING INDUSTRY CENTERS ON THE ZAGREB REGION, WITH ALL ITS ESSENTIALLY GERMAN CULTURE AND ORIGINS. IMMEDIACY, LINGUISTICS AND SEVERAL OTHER FACTORS ADDED TO THE SHEER DOGGEDNESS OF GERMAN PROMOTION THEREABOUTS HAVE ALL PLAYED THEIR PART IN PRODUCING THE CURRENT SITUATION, WHERE THEY ARE MARKET-DOMINANT TO THE POINT OF ALMOST 50 PERCENT OF IMPORTS IN THIS PRODUCT SECTOR.

B) IT IS PERHAPS TRUER TO SAY THAT THE 1974 FIGURE FOR US IMPORTS OF TEST INSTRUMENTATION IS MORE NEARLY THE NORM, AFTER A DISASTROUSLY BAD 1973 (WHEN IMPORTS AS A WHOLE WERE DEPRESSED, OWING TO DOWNTREND IN YUGOSLAV ECONOMIC CYCLE). THIS CYCLICAL PATTERN IS A CHARACTERISTIC OF THEIR ECONOMY AND CAN ALSO BE SEEN, ALTHOUGH TO A LESSER EXTENT, IN THE 1975 FIGURES, FOR BOTH THE ENTIRE IMPORTS AND FOR THE US SHARE. IN THE LIGHT OF THIS VIEW, THE PROJECTIONS OF BETWEEN 25 AND 30 PERCENT FOR US SHARES SEEM REALISTIC. A FURTHER COMMENT (POSSIBLY ALSO APPLICABLE TO A) ABOVE) IS THAT YUGOSLAV INDUSTRY TENDS TO REGARD THE 1973 OFFICIAL DATABASE WITH SOME RESERVATIONS. MORE RECENT CUSTOMS FIGURES REVEAL GREAT-

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ER CONSISTENCY AND RELIABILITY BECAUSE OF MORE SOPHISTICATION IN DATA COLLECTION AND MORE ACCURACY IN CODIFICATIONS.

C) THE INCREASE IN PRODUCTION AND EXPORTS OF SPECIAL MATERIALS TO BE SEEN IN 1975, WHICH APPEARS TO BE SUSTAINED, ACCORDING TO LATEST TRADE FIGURES, IS DRAMATIC BUT, BEING BASED UPON A POOR STARTING PLATFORM, FAR FROM IMPROBABLE. HITHERTO, LOCAL PRODUCTION LAGGED SADLY BEHIND HER WESTERN NEIGHBORS AND SEVERAL COMECON NEIGHBORS TOO. LARGELY MILITARY ORDERS FROM THE USSR, PLACED MAINLY WITH IRET, ACCOUNTS FOR SOME SUBSTANTIAL PART OF THE UPSURGE, AND IN TURN CAN BE SEEN AS THE NECESSARY TRIGGER DOWNMARKET INTO CONSUMER ELECTRONICS, AS THE NEWLY ACQUIRED TECHNOLOGY AND CONFIDENCE OVERSPILLS. DOMESTIC MATERIALS, SUCH AS SILICAS AND CERAMICS, CAME INTO LARGE USAGE AND OBIATED THE NEED FOR FORMER IMPORTS.

PARA 5 - TML CONFIRM THAT TEXT AND FIGURES ARE TO BE

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TAKEN IN SOME CASES TO INCLUDE PRODUCTS FOR OTHER USAGE.

PARA 6 - USDOC'S ASSUMPTION IS CORRECT. UNDER YUGOSLAV SYSTEM, SUCH OAL'S (COMPANIES) ARE LIMITED IN NUMBER, ALTHOUGH THE OUTPUT OF ANY ONE IN THIS INDUSTRY IS USUALLY VERY SUBSTANTIAL INDEED.

PARA 7 - AMENDED PAGE 59 NOW SHOWS PERCENTAGE BREAKDOWN OF THE THREE COMPONENTAL CLASSES; THIS PAGE BEING AIR-MAILED USDOC AND BELGRADE APRIL 10.

PARA 8 - ETAN, NAMELY THE YUGOSLAV COMMITTEE ON ELECTRONICS, TELECOMMUNICATIONS, AUTOMATION AND NUCLEAR SCIENCES AS DEFINED IN PAGE 60, EXERCISES FUNCTION OF CONTROL OF PLANNING FOR AND WITHIN THE ELECTRONICS INDUSTRY. IT ALSO ORGANIZES AN ANNUAL CONFERENCE AND EXHIBITION EACH JUNE. FOR CORROBORATION, TML HAS SENT A PHOTOSTAT OF USDOC'S OWN GMR EIPT PUBLICATION OF 1974, PAGE 144 (ALSO BEING AIRMAILED). THIS COMMITTEE IS MAN- NED BY ACADEMICS AND REPRESENTATIVES OF THE PRINCIPAL OAL'S AND IT WIELDS CONSIDERABLE INFLUENCE IN ELECTRON- ICS. THE CONFERENCE IS APPARENTLY ALWAYS WELL ATTENDED.
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